



Levy Information

Calculating the Cost of Construction Work - Professional Services

Fact Sheet 3

SURVEYING, PLANNING, COSTING, TESTING, ARCHITECTURAL, DESIGN, PLAN DRAFTING, ENGINEERING, QUANTITY SURVEYING AND PROJECT MANAGEMENT SERVICES ARE TO BE INCLUDED IN THE COST OF CONSTRUCTION WORK FOR THE PURPOSE OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE AND BENEFITS ACT.

The cost of construction work includes all architectural, engineering and other professional costs that relate to the work that is leviable.

The cost of construction work does not include accounting, financial or legal services that relate to the work that is leviable.

Construction Industry Long Service Leave and Benefits Act

Section 37 provides the “cost of construction work” is the total contract prices for all of the construction contracts in relation to the work OR, if the prescribed circumstances apply, the amount decided by the Board to be the total cost of the work.

Except as provided otherwise by the Construction Industry Long Service Leave and Benefits Regulations, a “construction contract” has the same meaning as in the *Construction Contracts (Security of Payments) Act* (see section 37(2)).

Construction Contracts (Security of Payments) Act

Section 6 of the *Construction Contracts (Security of Payments) Act* defines “construction work”. (See Fact Sheet 1 for further details).

Section 5 defines “construction contract”.

In particular, section 5(1)(c) in part, provides -

- (1) A construction contract is a contract (whether or not in writing) under which a person (the “contractor”) has one or more of the following obligations:

- (c) to provide, on or off the site where construction work is being carried out, professional services that are related to the construction work.

Professional Services

Section 7 of the *Construction Contracts (Security of Payments) Act* provides when professional services are related to construction work.

Specifically, section 7 provides -

- (2) Professional services are related to construction work if they are –
 - (a) services that are provided by a profession and that relate directly to construction work or to assessing its feasibility (whether or not it proceeds), including surveying, planning, costing, testing, architectural, design, plan drafting, engineering, quantity surveying and project management services, but not including accounting, financial or legal services; or
 - (b) services that are provided by a profession that are prescribed by the Regulations to be professional services related to construction work for this Act.
- (4) The Regulations may prescribe goods, professional services or on-site services that are not related to construction work for this Act.

Related Fact Sheets

Fact Sheet 1: Meaning of “construction work”

Fact Sheet 2: Calculating the cost of construction – Goods and On-Site Services

Further Reference

Copies of the Construction Industry Long Service Leave and Benefits Act, the Regulations and the Construction Contracts (Security of Payments) Act may be purchased from the Government Printing Office or downloaded from the NT Government website:

www.nt.gov.au.

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